



# Michigan *Office of the Auditor General* **REPORT SUMMARY**

## *Financial Audit*

### *Michigan Economic Development Corporation*

*(A Discretely Presented Component Unit of the State of Michigan)*

*October 1, 2005 through September 30, 2007*

Report Number:  
271-0406-08

Released:  
May 2008

*A financial audit determines if the financial statements are fairly presented; considers internal control over financial reporting; and determines compliance with requirements material to the financial statements. This financial audit of the Michigan Economic Development Corporation (MEDC) was conducted as part of the constitutional responsibility of the Office of the Auditor General.*

#### ***Financial Statements:***

##### **Auditor's Report Issued**

We issued an unqualified opinion on MEDC's financial statements.

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##### **Internal Control Over Financial Reporting**

We identified one significant deficiency in internal control over financial reporting (Finding 1). We do not consider this significant deficiency to be a material weakness.

MEDC's controls over financial reporting did not detect a misclassification of revenue in its draft financial statements (Finding 1).

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##### **Noncompliance and Other Matters Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

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#### ***Background:***

MEDC's mission is to promote smart economic growth by developing strategies and providing services to create and retain good jobs and a high quality of life for Michigan residents. Article VII, Section 28 of the State Constitution and Act 7, P.A. 1967, provided for the creation of MEDC as a public body corporate. MEDC was created in April 1999 by a 10-year contract (interlocal agreement, as amended) between a participating local economic development corporation formed under Act 338, P.A. 1974, as amended, and the Michigan Strategic Fund.

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#### ***Agency Response:***

Our audit report contains 1 finding and 1 corresponding recommendation. MEDC's preliminary response indicates that it agrees with the recommendation.

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A copy of the full report can be  
obtained by calling 517.334.8050  
or by visiting our Web site at:  
<http://audgen.michigan.gov>



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